

## Florida's Space Coast—Recovery and the Future

According to Enterprise Florida, Florida ranks 2nd among states for aviation, aerospace, and space establishments, with more than 2,000 aviation and aerospace companies employing some 83,200 Floridians, and providing a significant amount of the high tech manufacturing jobs in the state. The aerospace sector alone has 470 aerospace companies that employ nearly 31,000 professionals, and specialize in fields such as aircraft manufacturing, aircraft parts, avionics, propulsion systems, unmanned aerial vehicles, intelligence, surveillance, and reconnaissance. Florida is also home to almost all the aerospace industry's leading companies, including Harris Corporation, Rockwell Collins, Boeing, Lockheed Martin, Raytheon, Northrop Grumman, and General Dynamics.

The aerospace industry is important to Florida, and provides a significant amount of the high tech manufacturing jobs in the state. Down from peak employment during the U.S. space shuttle program years, Florida's Space Coast has been focused on economic development to attract other companies to the area. The organization in charge of the State's economic development in the aerospace industry is Space Florida, an independent special district. Space Florida is chaired by Lieutenant Governor Jennifer Carroll.

Space Florida has worked diligently to develop Florida's aviation and aerospace industries, and has signed at least one deal per month over the past 30 months to recruit new businesses to Florida in order to bring high-tech, high-wage jobs that will help make Florida more competitive in the future.

Space Florida was recently awarded the CoreNet Global *H. Bruce Russell Global Innovator Award* for their economic development efforts to secure a new Boeing project's headquarters for Florida. The team worked closely with NASA's Kennedy Space Center to land the new headquarters and manufacturing plant that will design and build the Boeing CST-100, an aircraft that will carry astronauts to the International Space Station.



Atlantis photo © NASA



Atlantis photo © NASA

This project is expected to create 550 jobs in engineering, precision manufacturing assembly and administration jobs by December 2015.

Space Florida has been able to do a variety of projects to develop Florida's aviation and aerospace industry. These include: attracting visitors to the area; expanding operations of Florida companies; attracting manufacturing companies that are new to Florida; and attracting launch activity.

### Attracting Visitors

A new visitor complex is being built at Kennedy Space Center to house the retired Space Shuttle Atlantis, the shuttle that performed the final shuttle program launch. This new \$73 million facility is expected to open in the summer of 2013. The exhibit will include a 90,000 square foot Atlantis exhibit along with interactive exhibits and artifacts from the 30-year space shuttle program. The construction of the facility is expected to create 326 construction jobs with an impact of more than \$29 million in the next two years.

On November 2, the retired Atlantis was transported 9.8 miles from its location at NASA's Vehicle Assembly Building to its new exhibition building at the Kennedy Space Center Visitor Complex. This new exhibition building is approximately 60 percent complete, and Atlantis was moved so that the walls of the building can be completed.

This complex is not funded through tax dollars, but is instead funded through a creative public-private partnership between the current operator of the Kennedy Space Center Visitor Complex, Delaware North Companies, along with NASA's Kennedy Space Center, Space Florida, and Bank of America.

### Attracting Companies

Just outside Kennedy Space Center (KSC) is the 299-acre Exploration Park, a research and technology park that boasts 315,000 square feet of planned floor space for research and lab facilities. The KSC plans to incorporate the existing 100,000 square foot space life sciences laboratory into the park, creating a unique set of amenities unavailable anywhere else in the world. A major feature of the area is the availability of engineers, with 48 engineers per 1,000 workers, placing it in the top-30 of all metro areas for engineer concentration. The most unique feature of Exploration Park is its feature of having a *quadramodal* transportation hub – by land, by sea, by air and by space – the only location in the world that can provide this amenity. This park will be a valuable tool in recruiting companies that want to start operations in the area, or relocate to Florida.

### Expanding Operations

With operations already in Florida, Brazilian aviation company Embraer announced that it will open a state-of-the-art development and design center in Melbourne. Space Florida, in partnership with the Florida Innovation Fund, will finance the center as well as design, build, and own the design center. The center will be located beside Embraer's 80,000 square foot assembly plant which is their first outside Brazil. Embraer also has an Executive Jets Customer Center in the same area. Since last year, the Embraer Phenom 100 series private business jet has been assembled at the plant. Pre-production of the larger Phenom 300 started in September, with the first production expected to be completed in March 2013.

Embraer is the third-largest producer of commercial aircraft. The company indicated that it chose the Melbourne area because of the available labor force and the availability of land. This expansion of Embraer's presence is seen as an opportunity to re-employ past shuttle workers. This should provide 200 new jobs with an average salary of \$70,000. Embraer Executive Jets Customer Center will aid customers in designing the interiors of their Phenom, Legacy and Lineage aircraft. "We selected Melbourne as a location that has the best offerings of combining the best of both industrial and consumer operations, Melbourne has a highly skilled labor force and pro business climate that the state of Florida provides," said Frederico Fleury Curado, President and CEO of Embraer.

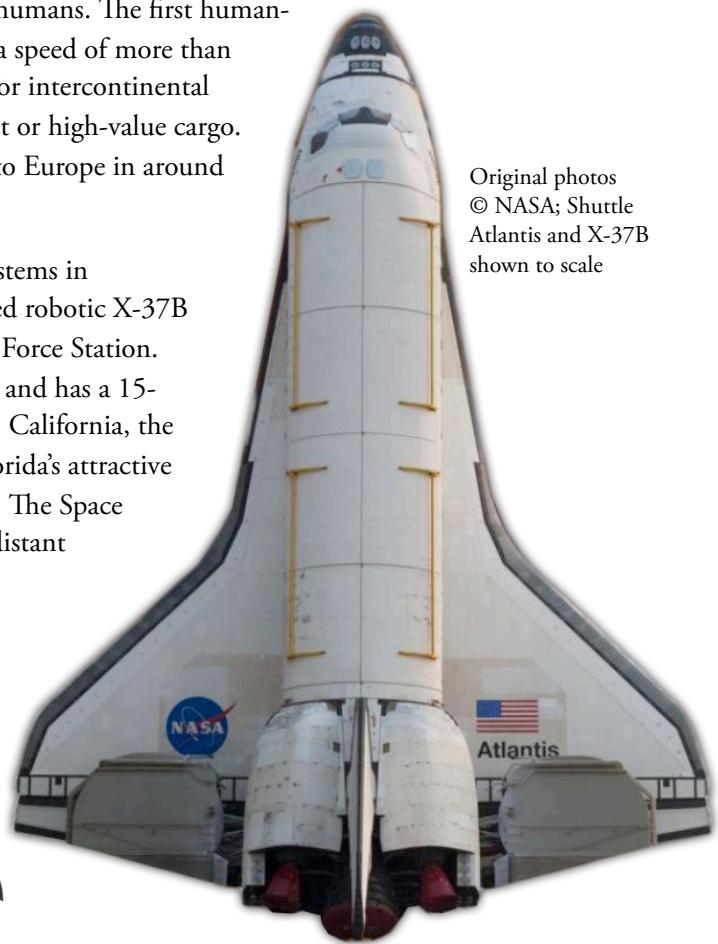
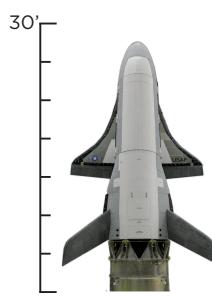
### Launch Activity

Florida has long been an active area for space launches, and companies can come to Florida to launch their spacecraft, even if they are not located in the state. On May 25, 2012 an un-crewed spacecraft dubbed "Dragon" became the first commercial spacecraft to deliver goods from Cape Canaveral's Air Force Station to the International Space Station. NASA partnered with SpaceX on this launch. The Dragon spacecraft can deliver cargo or, eventually, up to 7 astronauts, and will allow NASA to contract with U.S. companies instead of paying \$50 million per astronaut to Russia as it did last year.

In August, XCOR Aerospace announced that it planned to establish an operational base in Florida with the potential to manufacture its Lynx Mark II suborbital reusable launch vehicles. The estimated job creation is around 150 jobs through late 2018. Suborbital flights are those that fly to a height of around 62 miles above the earth but do not travel into orbit. Suborbital flights have been used since the 1950s – originally they were used to test the possibilities of space flights for humans. The first human-piloted suborbital flight occurred in May 1961, reaching a speed of more than 5,000 miles per hour. These suborbital craft can be used for intercontinental flight, either for transporting humans in commercial flight or high-value cargo. Suborbital flight could transfer passengers from the U.S. to Europe in around an hour.

Planned for November 27, Boeing Government Space Systems in collaboration with the Air Force will launch the unmanned robotic X-37B suborbital space plane from Florida's Cape Canaveral Air Force Station. This spacecraft measures just over 29 feet tall, 9 feet high, and has a 15-foot wingspan. Although previously based in Vandenberg, California, the program changed launch and landing locations due to Florida's attractive climate and a landing strip long enough for a space plane. The Space Coast welcomes this project as it prepares for the not-so-distant future of commercial suborbital space travel.

Overall, although changes in national policy regarding space exploration have affected Florida's economy and jobs on the Space Coast, Space Florida continues to pursue new opportunities that will maintain Florida's role as a leader in space-related activities, which has a potential positive effect on Florida's economy.



Original photos  
© NASA; Shuttle  
Atlantis and X-37B  
shown to scale

# Florida TaxWatch Center for Competitive Florida Advisory Board

## ***Chairman:***

Senator George LeMieux      Chairman of the Board      Gunster

## ***Board Members:***

|                                |  |   |
|--------------------------------|--|---|
| <b>Mr. John B. Zumwalt III</b> | President                              | The Zumwalt Company   |
|                                |  | Florida TaxWatch Chair & Immediate Past Chair, CCF Advisory Board |
| <b>Mr. Robert E. Coker</b>     | Senior VP, Public Affairs              | United States Sugar Corp.   |
| <b>Mr. Marshall Criser III</b> | President-Florida                      | AT&T  |
|                                | Immediate Past Chair, Florida TaxWatch |   |
| <b>Mr. Doug Davidson</b>       | Market Executive                       | Bank of America   |
| <b>Mr. J. Charles Gray</b>     | Chairman                               | GrayRobinson Law Firm   |
| <b>Mr. Clayton Hollis</b>      | VP, Public Affairs                     | Publix Super Markets, Inc.  |
| <b>Governor Bob Martinez</b>   | Senior Policy Advisor                  | Holland & Knight  |
| <b>Mr. Dave McIntosh</b>       | Trustee                                | Bluefield Ranch Mitigation Bank Trust                             |
| <b>Tracy Piatkowski</b>        | Vice President                         | The Walt Disney Company   |
| <b>Mr. James M. Repp</b>       | Senior VP                              | AvMed Health Plans  |
| <b>Ms. Michelle A Robinson</b> | Southeast Region President             | Verizon   |
| <b>Mr. David A. Smith</b>      | Former Florida TaxWatch Chairman       |   |
| <b>Mr. Michael Sole</b>        | VP, State Governmental Affairs         | Florida Power & Light   |

Economic Commentary written by **Jerry D. Parrish, Ph.D.,**  
Chief Economist, and Director of the Center for Competitive Florida

With assistance from **Jennifer Linares, MS**, Research Analyst, and **Robert Anthony Camacho**, Research Intern.  
**Robert Weissert**, VP for Research. **Chris Barry**, Communications Coordinator

**John Zumwalt, III**, Chair, Florida TaxWatch; **Sen. George LeMieux** Chair, Center for Competitive Florida;  
**Dominic M. Calabro**, President, Publisher, and Editor.

Florida TaxWatch Research Institute, Inc. [www.floridataxwatch.org](http://www.floridataxwatch.org)  
© Copyright Florida TaxWatch, November 2012